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R E M A R K S

The Office Action issued April 6, 2004 has been received and its contents have been carefully considered.

Independent claims 1 and 10 have been amended to render them more clear and definite as required by 35 USC §112. In particular, claims 1 and 10 have both been amended to make clear that the "authorized person" is either the accountholder himself or someone other than the accountholder. In other words, this person may be anyone who has possession of the "secret authorization code".

The Examiner's rejections of claims 1 and 10, under 35 USC §112, second paragraph, in numbered paragraph 4 on pages 2 and 3 of the Office Action are believed to be overcome by these amendments.

New Claims 26 - 39 have been added. Of these, claims 31 and 37 are independent apparatus and method claims, respectively, corresponding to original claims 1 and 10.

Claims 1-12 and 14-25 (all of the pending claims in this application) stand rejected under 35 USC §102(b) as being anticipated by the U.S. Patent No. 5,845,280 to Nakano et al. This rejection is respectfully traversed for the reasons given below.

The patent to Nakano et al. ("Nakano"), entitled "System and Method for Parent-Controlled Charging for On-Line Services" discloses a "charging method" that allows an institution to bill a parent account for the selling of on-line services delivered between terminals and hosts via a transmission medium.

The system of Nakano works similarly to Fleming's "Children's Credit or Debit Card System" (U.S. Patent No. 5,953,710, September 14, 1999) except for the fact that with Nakano, the system is implemented at the merchant level instead of at the credit card issuing bank. Also, Nakano has restricted the system specifically to products or services to be delivered electronically between a terminal and a host connected via a transmission medium (for example, a download of a movie or game).

Fleming's "Children's Credit or Debit Card System" takes a broader approach to the concept, applying his system

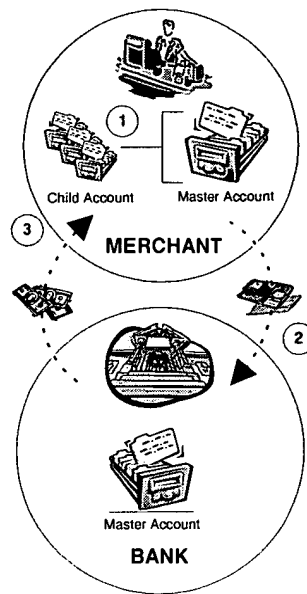
not to the merchant, but to the credit institution itself (the credit card issuing bank). Through his method, different merchants may benefit from a single implementation regardless of the method by which their products and services are delivered to the final customer.

Similar to Fleming's system, the system of Nakano requires the holder of the credit card to previously register his payment instruction on the master account so that child accounts can then be created and linked to that settlement account. However, in this case, Nakano uses the merchant to maintain the link between the master and child accounts instead of using the card issuing bank, as in the case of Fleming's system.

The system of Nakano is illustrated in Figure 1, below. In this system the merchant is the person or company responsible for registering and keeping the master and child accounts (1). Based upon the child's request, the merchant will identify the corresponding parent account and then submit to the bank the request for settlement from the appropriate master account (2) once a sale to the child occurs. The bank will then credit the merchant with the

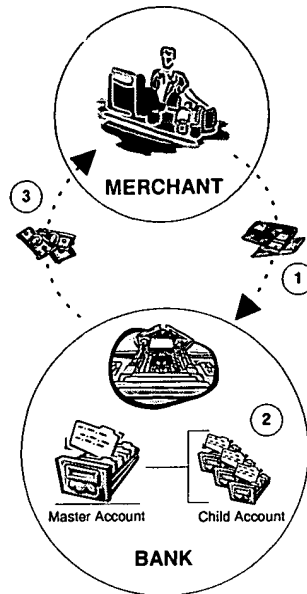
amount of the charge (3) based upon the account submitted;
in this case, the master account.

Figure 1



In Fleming's system, the child is given a separate credit card number of his own, and it is the bank that carries the responsibility of registering and keeping the master and child accounts. Any merchant will be allowed to submit a regular credit card request for charge from the child account and the bank internally will translate that into a charge to the parent account (master account). This system is illustrated in Figure 2, below.

Figure 2



Both systems and methods though are fully contained within the universe of either the bank or the merchant; and both parent and child account systems can be fully explained within the boundaries of a regular "merchant to bank" transaction as illustrated by Figure 1 and 2. As noted in applicant's Response After the Office Action filed in this case on February 20, 2003

"[Fleming] is a system where one or more child accounts are linked to a master account and are used by transactions to verify separate credit limits, validate

independent users and perform split or combined billing".

However, neither Nakano nor Fleming suggest that the credit card to be used on the transaction is acquired by a third party system via a card borrowing process completely outside of the boundaries of their own transaction, as disclosed and claimed in this application and as shown in Figure 3, below. This card borrowing process cannot be achieved by either Nakano or Fleming's systems, since it exists completely outside of the universe in which both of these prior art systems operate.

Figure 3

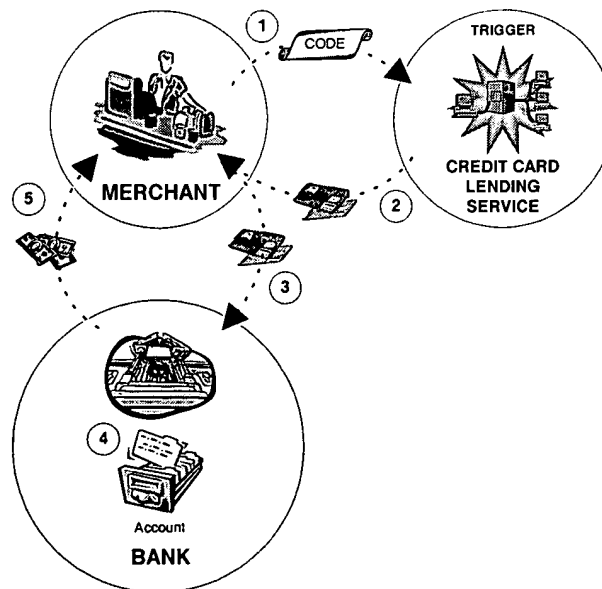


Figure 3 illustrates the store and forward method of applicant's "trigger system" at the terminal level, wherein a card lending service provides the credit card information to the merchant's terminal (2) as a separate process outside the boundaries of the "merchant to bank transaction" based upon validation of a previously established authorization code (1) and the corresponding conditions previously established for the use of said account by the accountholder. The subsequent "merchant to bank transaction" represented by numbers (3), (4) and (5) still occur independently like a normal credit card charge as if the accountholder had supplied his credit card information personally to the merchant's point-of-sale terminal.

Nakano describes a "charging method" that by itself contradicts the basis of the entire trigger system, which is not to get involved with any transaction itself and simply supply the credit card and approval information (i.e. Pins number) to independent transactions under pre-approved conditions. Nakano's system not only violates the applicant's non-involvement principles when assuming that it will be implemented by the merchant responsible for the selling and delivering the goods or services, but also when

it expects the merchant to be responsible for the settlement of the funds.

Nakano's system is to be used by a merchant who sells products and services via a transmission medium to a customer (like movies or games); it is meant to work as a "settlement method" for the merchant to receive payment for the products or services it delivers to the customer.

In the trigger system, the institution utilizing the trigger method is actually offering storage and lending of other people's credit cards to outside independent transactions, and it expects "by design" not to be involved in any sale or settlement for those transaction at all. Its main goal is not to participate either in the delivery of the goods or services, or with any settlement related to the payment for such goods or services. It simply supplies the credit card and approval information for the transaction when presented a valid authorization code under terms and conditions that comply with the ones previously set by the accountholder (lender of the card and corresponding credentials).

The trigger server works as a non-fiduciary institution that holds no responsibility to either the delivery of the

products/services or to the collection of the funds. It cannot be compared to Nakano's or Fleming's systems since both, one way or another, are active participants either in the delivery of the goods/services or in settlement for the funds during the transaction. These prior art systems cannot at all be compared to a system intended for only the borrowing and lending of credit and debit card credentials to external and independent transactions.

The institution making use of Nakano's system is the one providing the goods or services to the consumer and also the one responsible for the settlement of payment. It simply uses the terminals and host to receive the request and deliver the product or service it sells to its consumer.

In the trigger system, someone is requesting a purchase from a merchant and is presenting a "trigger authorization code" as a substitute for a credit or debit card and its pin number. ; The trigger system only participates in the transaction by virtue of supplying the credit or debit card information to be used within such external transaction and nothing else.

The institution responsible for lending the credentials (the trigger server) has no responsibility at all with

regard to the goods or services being purchased or the payment being issued. The only responsibility of the trigger system is to make sure that the credit/debit card it will supply to the third party transaction is the one attached to the secret authorization code and that the credit or debit transaction in which the terminal is set to engage complies with the terms and conditions for the borrowing of said account as previously set by the card's accountholder.

In Nakano's system, the institution making use of his system is responsible for both liabilities: the delivery of the goods/services and the settlement for collecting the money. In the trigger system, the institution only supplies the account for a separate transaction to occur under pre-determined circumstances.

At no point does Nakano suggest or envision a system where the account information and the account approval information could be retrieved from a third party institution utilizing an authorization code nor is his system designed to do so.

It is important to understand that the trigger system is not a charging method, but a credit card/debit card lending/borrowing method which works in conjunction with

companies delivering goods/services against payments, but which customers do not have a credit or debit card to perform the purchase and, instead, rely on acquiring that from a separate institution (the trigger server) based upon an authorization code and conditions set for the borrowing of such credit/debit card accounts.

Cumulatively, the systems of Nagano and Fleming, contrary to the trigger system, require "at least two accounts, linked to each other within the same institution, where the owner of the master account is able to control the credit limit and expenditure of other (child) accounts (similar to a corporate credit card)" Applicant's Response After Office Action, filed February 20, 2003. Also, neither one of them "at any point suggest that the merchant's 'point-of-sale terminal' could borrow such credit card information from a separate 'credit card lending system' based upon an access code and predefined conditions".

Neither Fleming's nor Nakano's system "contains nor uses such credit card store and forward capability that stands as the basis for the Trigger System", and nothing in their art "suggests that a merchant could perform a

transaction using a credit card provided by an independent system via a separate card borrowing process".

Applicant's independent claims 1 and 10 (the only independent claims in this application) recite the essential features of the trigger system, according to the invention, which distinguish it from the systems of Nakano and Fleming. Independent claims 1, 10, 31 and 37 make clear that a separate "trigger server" stores "account information, account approval information and account use restriction information for [a] source account, in association with an authorization code." Thereafter, upon entry of the secret authorization code in a "requesting terminal", the trigger server transmits to this terminal the information required to utilize the account "within the terms and conditions set by the accountholder." The requesting terminal may then be granted the right to use the account for attempting to consummate the transaction as long as compliant to account use's restrictions as set by the accountholder, but no liability attaches if the transaction fails. The trigger server has merely stored and delivered the settlement account information, in response to the authorization code, much like a trusted friend who has written this information

down and provided it upon request. That is the extent of the trigger server's involvement in the transaction.

Clearly, the person who enters the secret authorization code can be anyone who has possession of this code. This may be the accountholder himself or (more usefully) some other, authorized person to whom the accountholder has entrusted the code. Indeed, the purpose of the trigger system is to allow the accountholder to grant permission to another, trusted person to use his account within certain specified restrictions, such as a limit on the number of uses, a cap on the funds available, or even a restriction on the identity of the third party payee.

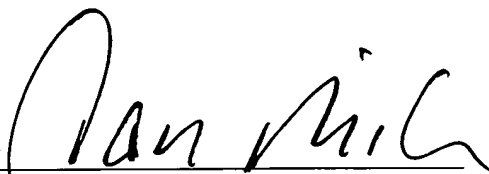
Just as an example, with the trigger system according to the invention, parents may establish an authorization code that grants permission to their child to use their account for making a single payment of a limited amount of money to a college or university for the child's tuition. To make the payment, the child will enter the secret code at the school's credit card terminal as a payment method, and upon doing so, the terminal will connect to the trigger server, verify the code and terms of use and finally download his father's credit card account to the terminal as

if the child had the parents' credit card in hand. The trigger system thus allows such a payment to be made, safely and within the limits of the restrictions, without giving the child the credit card or making any prior financial arrangements with the school or the bank.

In conclusion, therefore, independent claims 1, 10, 31 and 37 call for an apparatus and method, respectively, for providing an accountholder's account information, upon demand, for use in a transaction, by submission of an authorization code, just as if the accountholder himself/herself was present and furnished a credit or debit card (and personal ID and/or PIN number) at a merchant or banking terminal. This information is furnished by a computer server controlled by an institution which is not a party to the transaction and therefore, stays independent of any liability related to the outcome of said transaction, its licensing requirements, regulatory complexities, compliance needs, cash flow implications etc.

Accordingly, for the reasons given above, this application is believed to be in condition for immediate allowance. A formal Notice of Allowance is therefore respectfully solicited.

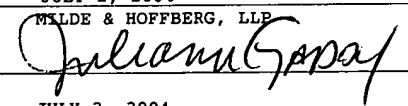
Respectfully submitted,

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